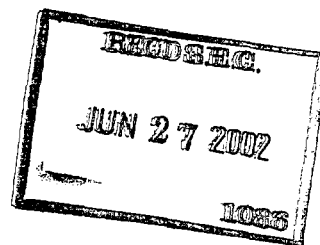




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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549



FORM 11-K

- ☒ ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2001**

OR

- ☐ TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 333-49729

- A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

UnionBancorp, Inc. 401(k) Profit Sharing Plan

- B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

UnionBancorp, Inc.  
321 West Main Street  
Ottawa, Illinois 61350

PROCESSED

JUL 17 2002

THOMSON  
FINANCIAL

## **REQUIRED INFORMATION**

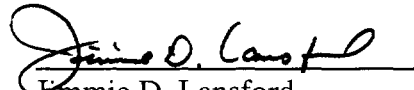
The UnionBancorp, Inc. 401(k) Profit Sharing Plan is subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Accordingly, the financial statements prepared in accordance with ERISA are provided as Exhibit 99.1 to this Form 11-K. The written consent of Crowe, Chizek and Company is attached as Exhibit 99.2 to this Form 11-K.

## SIGNATURES

*The Plan.* Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

**UNIONBANCORP, INC.  
401(k) PROFIT SHARING PLAN**

Date: June 27, 2002

By:   
Jimmie D. Lansford

**UNIONBANCORP, INC. 401(k) PROFIT SHARING PLAN**

**EXHIBIT INDEX  
TO  
ANNUAL REPORT ON FORM 11-K**

<b>Exhibit No.</b>	<b>Description</b>	<b>Sequential Page No.</b>
99.1	Financial Statements	5
99.2	Consent of Crow, Chizek and Company, LLP	16

**UNIONBANCORP, INC.**  
**401(k) PROFIT SHARING PLAN**  
Ottawa, Illinois

**FINANCIAL STATEMENTS**  
December 31, 2001 and 2000

UNIONBANCORP, INC.  
401(k) PROFIT SHARING PLAN  
Ottawa, Illinois

FINANCIAL STATEMENTS  
December 31, 2001 and 2000

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## REPORT OF INDEPENDENT AUDITORS

Plan Administrator  
UnionBancorp, Inc. 401(k) Profit Sharing Plan  
Ottawa, Illinois

We have audited the accompanying statements of net assets available for benefits of the UnionBancorp, Inc. 401(k) Profit Sharing Plan (the Plan) as of December 31, 2001 and 2000, and the related statement of changes in net assets available for benefits for the year ended December 31, 2001. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2001 and 2000, and the changes in net assets available for benefits for the year ended December 31, 2001, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the 2001 basic financial statements taken as a whole. The supplemental schedule of assets held (end of year) is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2001 basic financial statements taken as a whole.

*Crowe, Chizek and Company LLP*

Crowe, Chizek and Company LLP

Oak Brook, Illinois  
May 3, 2002

UNIONBANCORP, INC.  
401(k) PROFIT SHARING PLAN  
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
December 31, 2001 and 2000

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	<u>2001</u>	<u>2000</u>
<b>ASSETS</b>		
Cash	\$ 20,890	\$ -
Investments (Note 4)	2,707,366	2,685,206
Employer's contribution receivable	<u>137,670</u>	<u>122,252</u>
	2,865,926	2,807,458
 <b>LIABILITIES</b>		
Due to participants	<u>-</u>	<u>-</u>
 <b>NET ASSETS AVAILABLE FOR BENEFITS</b>	 <u>\$ 2,865,926</u>	 <u>\$ 2,807,458</u>

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See accompanying notes to financial statements.



UNIONBANCORP, INC.  
401(k) PROFIT SHARING PLAN  
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
Year ended December 31, 2001

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**Additions to net assets attributed to**

Investment income	
Net depreciation in fair value of investments (Note 4)	\$ (142,153)
Interest	33,536
Dividends	<u>29,044</u>
	(79,573)

**Contributions**

Participant wage deferrals	489,956
Rollovers	7,438
Employer	<u>137,795</u>
	<u>635,189</u>

Total additions	555,616
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**Deductions from net assets attributed to**

Benefits paid to participants	482,790
Administrative expenses	<u>14,358</u>

Total deductions	<u>497,148</u>
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Net increase	58,468
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**Net assets available for plan benefits**

Beginning of year	<u>2,807,458</u>
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End of year	<u>\$ 2,865,926</u>
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See accompanying notes to financial statements.

UNIONBANCORP, INC.  
401(k) PROFIT SHARING PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2001 and 2000

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**NOTE 1 - DESCRIPTION OF PLAN**

The following brief description of the UnionBancorp, Inc. 401(k) Profit Sharing Plan (the Plan) is provided for general information purposes only. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General: The Plan is a defined contribution plan covering employees of UnionBancorp, Inc. (the Company) and certain of its subsidiaries, including UnionBank; UnionBank/West; UnionBank/Central; UnionBank/Northwest, and Union Financial Services and Trust Company. The Plan was established effective January 1, 1998 and covers all employees who have completed six months of service and are age twenty and one-half or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The administrator of the Plan is UnionBancorp, Inc. (the Administrator) and the trustee of the Plan is UnionBank (the Trustee), which is a subsidiary of the Administrator. The Trustee is the custodian of the Plan's assets.

Contributions: Each year participants may contribute up to 15% of their annual compensation, not to exceed Internal Revenue Service limits. The Company can make a discretionary contribution, subject to certain limitations under applicable federal income tax laws and regulations, on an annual basis. The Company's discretionary contribution is allocated to participant accounts on the last day of the year based on the ratio of each participant's eligible compensation for the year to total eligible compensation for the year. The Company's discretionary matching contribution is allocated to participant accounts on the last day of the year based on each participant's voluntary contributions.

Participant Accounts: Each participant's account is credited with employee contributions and plan earnings. Employer contributions are allocated to participant accounts in proportion to employee contributions. Plan earnings are allocated to participant accounts in proportion to the participant's account balance to total account balances in each investment. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Upon termination of a participant, the portion of the employer contribution not vested will be forfeited and allocated to eligible participants as of the last day of the plan year the terminated participant receives a distribution.

Retirement, Death, and Disability: A participant is entitled to 100% of his or her account balance upon attainment of early retirement age (55) and completion of seven years of service, normal retirement age (65), death, or disability.

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(Continued)

UNIONBANCORP, INC.  
401(k) PROFIT SHARING PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2001 and 2000

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**NOTE 1 - DESCRIPTION OF PLAN (Continued)**

Vesting: Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the remainder of their account is based on years of continuous service. A participant is 100% vested after seven years of credited service in accordance with the table below.

<u>Years of Service</u>	<u>% Vested</u>
Less than three	0
Three	20
Four	40
Five	60
Six	80
Seven	100

Payment of Benefits: Participation in the Plan terminates upon retirement, death, disability, or other termination of employment with the Company. Former participants or designated beneficiaries receive distributions in lump-sum amounts.

Loan Provisions: Participants may borrow up to 50% of their account balance up to a maximum of \$50,000. The loan will accrue interest as defined by the Plan.

Investment Options: Upon enrollment in the Plan, a participant may direct contributions in the investment options made available by the Administrator. The employee may elect to direct these contributions in multiples of 10%. Employer contributions are allocated in the same percentages as the employee has elected. The investment options are derived from a combination of various mutual funds and a money market fund. Plan participants are allowed to reallocate funds between investment options on a daily basis.

**NOTE 2 - SUMMARY OF ACCOUNTING POLICIES**

Accounting Method: The Plan uses the accrual basis of accounting.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

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(Continued)

UNIONBANCORP, INC.  
401(k) PROFIT SHARING PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2001 and 2000

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**NOTE 2 - SUMMARY OF ACCOUNTING POLICIES (Continued)**

Investments: Investments in mutual funds are stated at quoted market prices. The fair value of money market accounts is the amount payable on demand at the reporting date. Investments in common stock are stated at fair value. The fair value of UnionBancorp, Inc. common stock is determined by a quoted market price. Purchases and sales of investments are accounted for on the trade date. Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned. Participant loans are carried at their remaining balance, which approximates fair value.

**NOTE 3 - PLAN TERMINATION**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA and its related regulations. In the event of the Plan's termination, participants will become 100% vested in their accounts.

**NOTE 4 - INVESTMENTS**

The following table presents the fair value of plan investments as of December 31, 2001 and 2000. Investments that represent 5% or more of the Plan's net assets are separately identified.

	<u>2001</u>	<u>2000</u>
<b>Investments at fair value as determined by quoted market prices</b>		
Money market funds		
Federated Automated Cash Management Fund	\$ 557,662	\$ 477,982
Mutual funds		
Federated Capital Appreciation Fund	203,395	173,695
Federated Managed Growth Portfolio	476,671	579,433
Federated Managed Moderate Growth Portfolio	312,670	383,474
Federated Managed Conservative Growth Portfolio	140,422	194,171
Other mutual funds	<u>726,950</u>	<u>657,758</u>
	2,417,770	2,466,513
Common stock		
UnionBancorp, Inc. common stock (18,662 and 18,862 shares at December 31, 2001 and 2000)	259,402	188,620
<b>Investments at estimated fair value</b>		
Participant loans	<u>30,194</u>	<u>30,073</u>
Total investments	<u>\$ 2,707,366</u>	<u>\$ 2,685,206</u>

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(Continued)

UNIONBANCORP, INC.  
401(k) PROFIT SHARING PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2001 and 2000

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**NOTE 4 - INVESTMENTS (Continued)**

During the year ended December 31, 2001, the Plan's investments (including investments bought, sold, and held during the year) appreciated/(depreciated) in fair value as follows:

Mutual funds	\$ (214,694)
Common stock	<u>72,541</u>
Net change in fair value	<u>\$ (142,153)</u>

**NOTE 5 - PARTIES-IN-INTEREST TRANSACTIONS**

Parties-in-interest are defined under DOL regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer, and certain others. Professional fees for the administration and audit of the Plan were paid by the Company. At December 31, 2001 and 2000, all plan assets were considered to be party-in-interest investments.

**NOTE 6 - TERMINATED PARTICIPANTS**

Included in net assets available for benefits are amounts allocated to individuals who have elected to withdraw from the Plan but have not been paid as of the Plan's year end. Amounts allocated to these participants were \$17,273 and \$72,897 at December 31, 2001 and 2000, respectively.

**NOTE 7 - TAX STATUS**

The Internal Revenue Service has ruled, on May 16, 2001, that the Plan qualifies under Section 401 of the Internal Revenue Code and is therefore exempt from federal income taxes. The plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

## **SUPPLEMENTAL SCHEDULE**

UNIONBANCORP, INC.  
401(k) PROFIT SHARING PLAN  
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
December 31, 2001

Name of Plan Sponsor: UnionBancorp, Inc.  
Employer Identification Number: 36-3145350  
Three Digit Plan Number: 002

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost**	(e) Current Value
<u>Money Market Funds</u>				
*	Federated	Automated Cash Management Fund		\$ 557,662
*	Federated	Stock Liquidity Fund		5,755
<u>Mutual Funds</u>				
*	Federated	Managed Income Portfolio		88,713
*	Federated	Managed Growth Portfolio		476,671
*	Federated	Total Return Bond Fund		55,229
*	Federated	Managed Moderate Growth Portfolio		312,670
*	Federated	Managed Conservative Growth Portfolio		140,422
*	Federated	Mini-Cap Fund		14,578
*	Federated	Mid-Cap Fund		90,223
*	Federated	Max-Cap Fund		87,485
*	Federated	International Equity Fund		70,900
*	Federated	Capital Appreciation Fund		203,395
*	Federated	Growth Strategies Fund		78,044
*	Federated	Aggressive Growth Fund		113,977
*	Federated	Stock Trust Fund		79,110
*	Federated	Communications Technology Fund		42,936
<u>Common Stock</u>				
*	UnionBancorp, Inc.	18,662 shares		<u>259,402</u>
<u>Participant Loans</u>				
	Participant loans	Interest rates 9.5% - 10.5%		<u>30,194</u>
	Total investments			<u>\$ 2,707,366</u>

\* Party-in-interest.

\*\* Not applicable for participant-directed investments.



## CONSENT OF INDEPENDENT AUDITORS

Plan Administrator  
UnionBancorp, Inc.  
401(k) Profit Sharing Plan  
Ottawa, Illinois

We consent to the incorporation by reference of our report dated May 3, 2002 on the UnionBancorp, Inc. 401(k) Profit Sharing Plan ("the Plan") 2001 financial statements included in the Form 11-K of the Plan for the year ended December 31, 2001 into the Registration Statement on Form S-8 filed with the Securities and Exchange Commission for the Plan.

*Crowe, Chizek and Company LLP*

Crowe, Chizek and Company LLP

Oak Brook, Illinois  
June 26, 2002